

**RULES
OF
DEPARTMENT OF REVENUE
INCOME TAX DIVISION**

**CHAPTER 560-7-5
NET TAXABLE INCOME (CORPORATION)**

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(1) The return of a taxpayer shall be made and the person's income computed for the person's taxable year, which means the fiscal year, or the calendar year if the person has not established a fiscal year. For purposes of this regulation, "person" means the same as is defined in O.C.G.A. § 48-1-2. The term fiscal year means an accounting period of 12 months ending on the last day of any month other than December. No fiscal year will be recognized unless before its close it was definitely established as an accounting period by the taxpayer and the books of such taxpayer were kept in accordance therewith. A person having no such fiscal year must make the person's return on the basis of the calendar year. The annual accounting period constituting a taxable year shall in no case be a period longer than 12 months.

(2) It is recognized that no uniform method of accounting can be prescribed for all taxpayers, and the law contemplates that each taxpayer shall adopt such forms and systems of accounting as are in the person's judgment best suited to the person's purpose. Each taxpayer is required by law to make a return of the person's true income. The person must, therefore, maintain such accounting

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records as will enable the person to do so.

(3) The taxable year of a person shall be the same as the person's taxable year for Federal income tax purposes.

(4) A person's method of accounting must be the same for Georgia income tax purposes as for Federal income tax purposes. If the person is allowed or is required to change an accounting method for Federal income tax purposes, such accounting method for Georgia will automatically be changed.

Authority O.C.G.A. § 48-2-12.